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TAGS: [KTFN](#) [EFIN](#) [ECON](#) [PREL](#) [RS](#)
SUBJECT: TOP OFFICIAL AT RUSSIAN CENTRAL BANK GUNNED DOWN

Classified By: ECON M/C Pam Quanrud, Reasons 1.4 (b/d).

Summary

¶1. (C) The Central Bank of Russia's (CBR) First Deputy Chairman Andrei Kozlov was fatally shot on September 13. Kozlov was a key figure in the GOR's efforts to crack down on money laundering, insider trading, and other illegal banking activity. His death is most likely connected to his efforts to strengthen anti-money laundering regulations and practices. End Summary.

¶2. (U) Press reports state that two gunmen fired on Kozlov and his bodyguard after Kozlov had finished playing in a CBR soccer match and was nearing the stadium exit. The bodyguard was killed trying to protect the First Deputy Chairman, and Kozlov was shot in the head. Kozlov's CBR teammates took him to a nearby hospital where he underwent surgery for hours before succumbing to the wound.

¶3. (U) Moscow's chief prosecutor issued an all-points bulletin for the two suspects and the city's security forces initiated the "Volcano-5" plan that deploys the capital's police force to aid in the search. Law enforcement sources were quoted in the press as saying that they will investigate the mode as well as the motive for Kozlov's murder. Central Bank spokesmen did not offer any comments on possible suspects, noting only that "there are so many banks, and suspects could be from outside the banking community."

¶4. (U) Kozlov was instrumental in developing a deposit insurance system, the implementation of which required determining whether banks were eligible to participate. Excluded banks, in many cases, lost their operating licenses. Kozlov advocated strict anti-money laundering governance and, more recently, focused attention on insider trading as well as connected lending in Russia's state-owned corporations. At a conference in Sochi last week, Kozlov discussed an initiative to ban individuals involved in tax evasion and money laundering from occupying a formal position within the banking profession.

¶5. (U) Kozlov was a well-known contact of the Embassy. He was the Russian counterpart in the anti-money laundering efforts of the USAID-supported Financial Services Volunteer Corps. Kozlov recently sent letters to the Federal Reserve's Banking Supervision Division as well as the Office of the Comptroller of the Currency, seeking to formalize bilateral cooperation in anti-money laundering activity. Post considered Kozlov a key crusader and driving force in the GOR's efforts to combat illicit financial activity. The murder of Kozlov is the first act of violence against the

country's financial officials since former CBR Chairman Sergei Dubinin's office window was shot and First Deputy Finance Minister Andrei Vavilov's car was detonated in 1997.

Comment

[16](#). (C) Our contacts echo press speculation that the murder was likely connected to recent bank license revocations as well as Kozlov's efforts to strengthen anti-money laundering regulations and practices. Kozlov was known to enjoy support from the Kremlin as well as the Duma Committee on Banks and Credit Organizations. The question going forward is whether the GOR will find new resolve to crack down even harder on suspect banks and individuals in retaliation for Kozlov's assassination, or proceed more cautiously given that lives may be at stake. End Comment.
BURNS